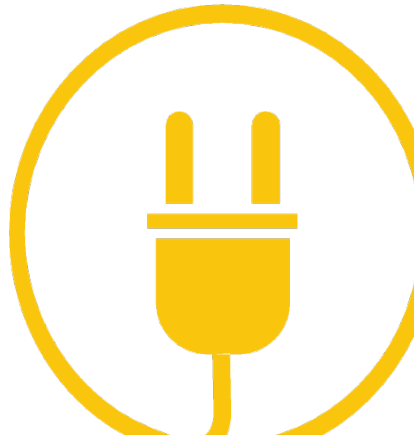




Creating a More Energy Efficient Future for Residential Customers

The ENERGY STAR® Retail Products Platform



October 2017

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What is ENERGY STAR®?

The U.S. Environmental Protection Agency's ENERGY STAR is:

- A voluntary partnership among government, business and consumers to save money and protect our climate through superior energy efficiency
- A widely recognized and trusted mark on products, homes and buildings that meet strict energy efficiency requirements
- The simple choice for energy efficiency!



Americans, with the help of ENERGY STAR, saved more than 503 billion kWh and \$34 billion in energy costs in 2015 alone.



The Need for Change

- Shrinking per-unit energy savings and incentives
- Remaining rebates promote high price/large incremental cost products
- Shrinking retailer participation in traditional energy efficiency programs
 - Not core to business
 - Introduce cost and complexity
 - Small incentives do not influence customers Data for savings and program attribution hard to secure

Then (2004)



30% energy savings
Mail-in rebates up to \$200 available.

Now (2017)

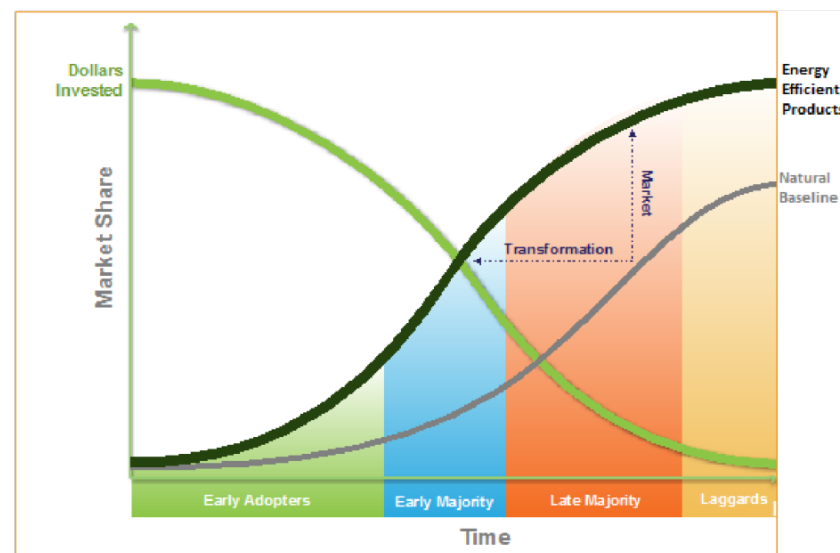


Cost-effective rebates closer to \$25

US retailers sell more than 2B products that use >80 Million MWh/year

What is the ENERGY STAR Retail Products Platform?

- The ENERGY STAR® Retail Products Platform (ESRPP) is a collaborative midstream initiative of ENERGY STAR, energy efficiency program sponsors, retailer partners, and other key stakeholders, facilitated by the U.S. Environmental Protection Agency
- Significant budgets and low administrative costs create strong value proposition for retailers
- Creates savings in growing “miscellaneous/plug load” product categories at significantly lower cost to program sponsors



Source: Northwest Energy Efficiency Alliance—"NEEA's Definition of Market Transformation"



The Midstream Approach

- In a midstream model, program sponsors provide incentives to retailers to encourage stocking, promoting, and selling a higher percentage of energy efficient products.
- Small per-unit incentives, which may be trivial to a consumer in a downstream program, may be significant for a retailer when compared to their profit margin on a product – thus influencing a retailer's product stocking behavior.
- Resulting increases in sales of high efficiency models can prompt manufacturers to permanently shift to production of these models.

Process



A Message from the ENERGY STAR Retail Action Council

- “We support program sponsors efforts to build scale via the ENERGY STAR Retail Products Platform”
- “We believe the ESRPP is the future of energy efficiency programs, and the future is now!”
- “We are offering to help regulators recognize the energy saving opportunities”
- “We will assist innovative Program Sponsors who join together with the EPA transform the energy efficiency market”





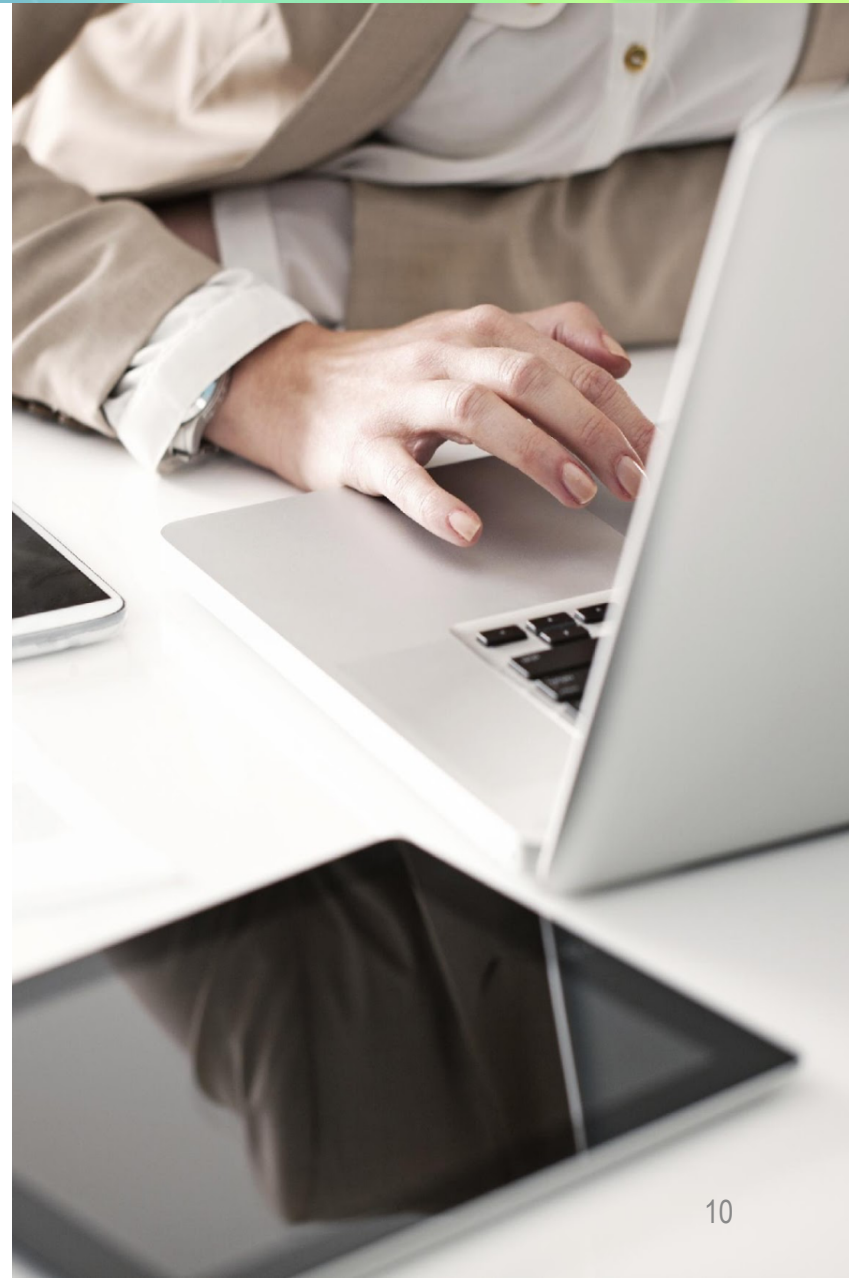
ESRPP Retailer Participation Agreement

- Developed by retailers and program sponsors with provisions for
 - Common signage, marketing plans, data formats, data transmissions, field services Letters of Authorizations, and evaluation interviews with retail merchants and marketers
 - Customizable exhibits for program sponsor-specific requirements: store lists, qualifying products
- Includes many elements that are energy efficiency industry firsts
 - Ongoing category sales data
 - 12 months of historic sales data
 - A mutually created implementation plan
 - A common EM&V interview process



Data

- Benefits
 - Program sponsors gain access to better data
 - Retailers benefit from consistent program structure
- Requirements
 - Model number
 - Sales Date
 - Store ID
- Data solutions company
 - Serves as interface between retailers and program sponsors





Products

The 2016 pilot was limited to the following products:

- ENERGY STAR certified dryers—new category
- ENERGY STAR certified air cleaners—small unit sales, high per unit energy savings
- ENERGY STAR certified freezers—difficult to administer cost effective downstream rebates
- ENERGY STAR certified sound bars (+15%)—high growth category, limited per unit savings
- ENERGY STAR certified room air conditioners—revised specification, positioned to influence stocking plans for 2016

In 2017, the product portfolio was expanded to include the following products:

- ENERGY STAR certified clothes washers—high per unit energy savings, opportunity to pair with clothes dryers.
- ENERGY STAR certified refrigerators—difficult to administer cost effective downstream rebates

In 2018, the product portfolio will be further expanded to include ENERGY STAR certified dehumidifiers.

Marketing, Field Services, and Implementation

- Marketing: in-store signage
 - Retailers pre-approve, no turnaround time or review
 - Prominent program sponsor branding
 - Flexible color scheme and tagline for program sponsor brand alignment
- Implementation Plan
- Letters of Authorization
- Field Services Tool Kit





Evaluation—A Different Approach is Required

- ESRPP is a pilot and still in the early stages of evaluation where the focus is on proving the concept.
- To date, ESRPP has successfully increased the number of retailer participants to six, increased the percent of households covered by an ESRPP territory and proven that utilities can work together with each other and retailers to deliver a nationally coordinated program.
- Accomplishments in program year 2016 include:
 - More than 160,000 ENERGY STAR certified appliances and consumer electronics sold. Coordinated interviews with participating retailers and key manufacturers of eligible ESRPP products.
 - Enough electricity saved to power 2,000 homes for one year.
 - 22 Million customers with access to certified products at almost 700 participating stores.

ENERGY STAR Retail Products Platform Update

2016/2017 Participants*

- CA: PG&E and SMUD
- CO & MN: Xcel Energy
- ID, MT, OR & WA: NEEA
- MI: DTE Energy
- NY: Con Ed
- VT: Efficiency Vermont
- WI: Focus on Energy

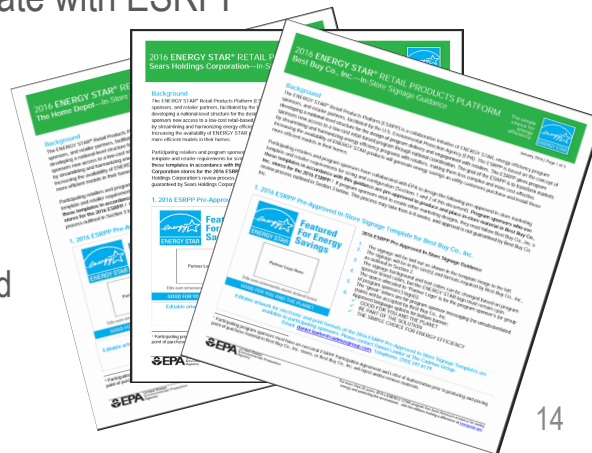
*ESRPP program years run from April 1 – March 30.

Discussions Regarding 2017/2018

- CA: SCE and SDG&E
- CT: Eversource CT, UIL Holdings
- DC: DC SEU
- MD: BGE, PEPCO, SMECO, Delmarva Power, Potomac Edison-FirstEnergy
- NM: Xcel Energy, Public Service of New Mexico
- TX: Oncor

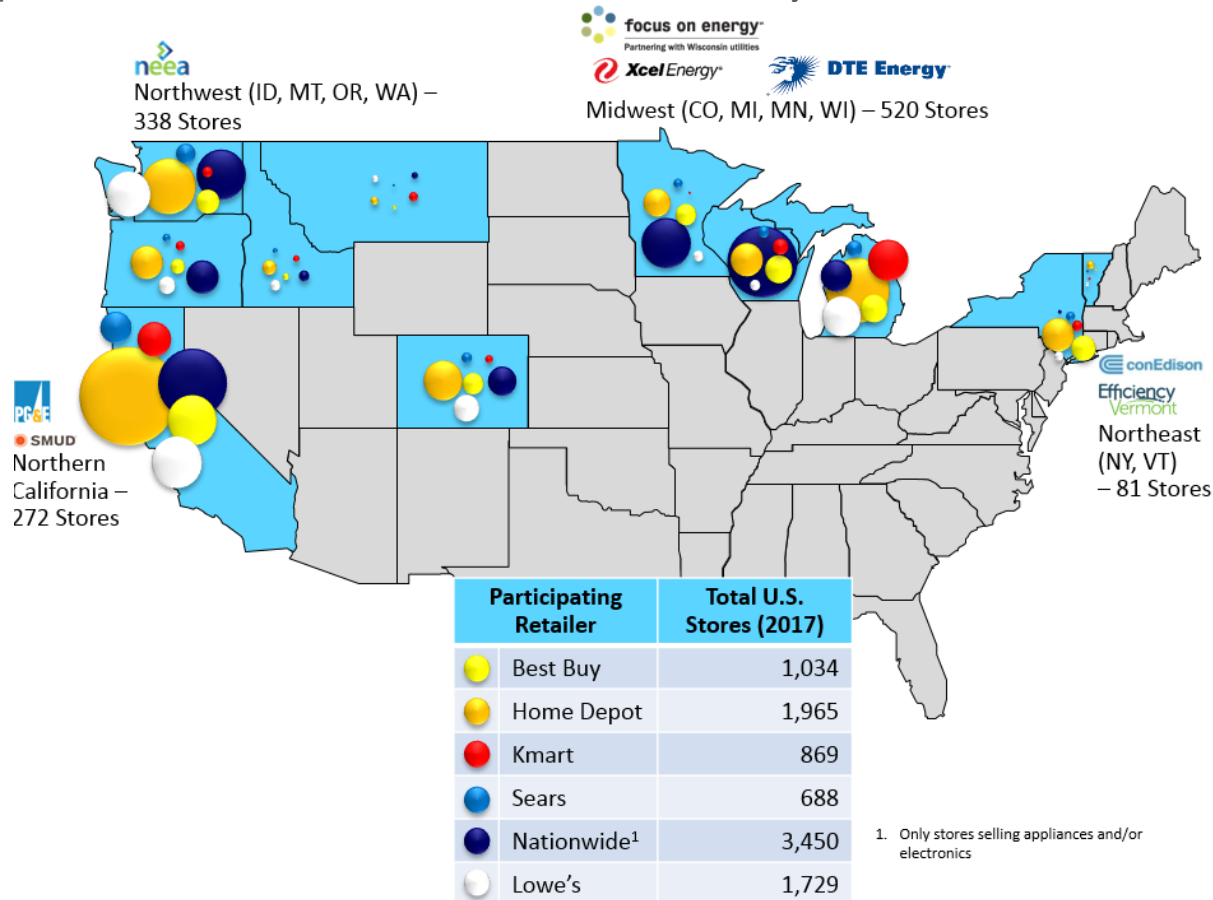
- Implementing at more than 1,200 store locations at Best Buy, Home Depot, Sears, Nationwide Marketing Group, and Lowe's in program year 2017.
- Receiving on-going full category sales data
- 12 months historic category sales data
- Retailers and Program Sponsors working together to select future product categories
- Largest appliance and CE manufacturers beginning to collaborate with ESRPP

Pre – approved
signage and field
services
authorization



2017* Highlights

- 6 participating retailers
- 8 program sponsors in 11 states
- More than 1,200 storefronts
- Nearly 18% of the U.S. market covered





2017 and Beyond

- **Build platform and scale to support national energy savings!**
 - Add new participants to program
 - Evolve EM&V framework and resources
 - Finalize framework for product portfolio and specification transitions
 - Nominate future product portfolio
 - Provide market data and program planning documents
 - Develop onboarding resources for new participants



Getting Involved

Getting Started

- Contact EPA via esrpp@energystar.gov to discuss program concept and potential role
- Help shape discussions with regulators and evaluators
- Visit www.energystar.gov/ESRPP

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Appendix

- FAQs
- Resources
- Basic Structure
- Roles, Responsibilities, Working Structure



FAQs:

Where can I find the additional resources?

Visit www.energystar.gov/ESRPP. Additional resources, including information regarding ESRPP evaluation, data, products, participation, and marketing/field services, can be found on the ESRPP Google Drive. For access to Google Drive, please contact ESRPP@energystar.gov.

How is the group structured?

ESRPP is structured to incorporate input from all participants, including retailers, program sponsors, and manufacturers. The program has developed task forces for each major component of the program and these task forces meet regularly to review updates and resolve issues or questions. The task forces include members from the program sponsors, EPA, and stakeholders. ESRPP members convene bi-weekly to review progress made within the task forces and discuss how best to move the program forward.

How are decisions made among program sponsors involved in the pilot?

The ESRPP is a collaborative effort, so all decisions are made at the task force level once a consensus is reached among participants. This ensures that all participants have a voice in program developments. Once an issue is resolved at the task force level, it is discussed among the full group during the bi-weekly status meetings.

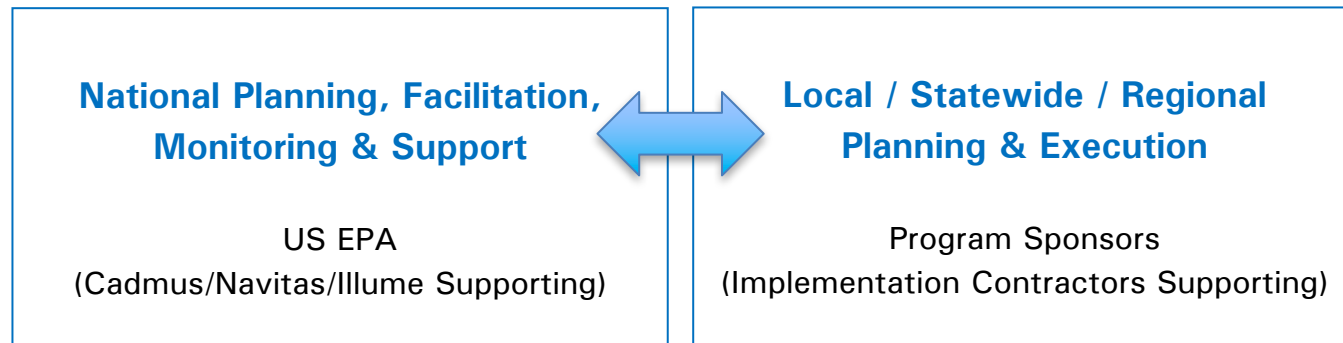


ESRPP Resources

- **Overview:** 2016 Progress Report, 1-pager, Pitch Deck, and Sample Filing Language
- **EM&V:** Evaluation Approaches Guidance, FAQs, and Data Resources
- **Data:** Data Management Services Procurement Guidance
- **Products:** Product Savings Analysis, Product Transition and Introduction Guidance
- **Marketing/Field Services:** Signage Templates, Field Services Toolkit, Letters of Authorization
- **Legal:** Participation Agreements

All resources are available on the ESRPP Google Drive. For access, please contact esrpp@energystar.gov.

ESRPP Basic Structure



- At the start of the initiative, in September 2014, the core stakeholder group defined critical aspects of a successful and innovative nationally coordinated market transformation-based energy efficiency program.
- Special consideration was given to how to engage stakeholders in the design of this new platform to help the group realize the significant efficiencies of scale, energy savings, and environmental benefits promised by this approach.
- Volunteers lead efforts in each key area, and rely on EPA to help lead some aspects of the planning and provide overall facilitation to help the group stay focused on delivering on their long term vision.



ESRPP Roles, Responsibilities & Working Structure

Task Force	Lead(s)	Goal
1. EM&V/ Regulatory	P. Banwell, EPA B. Hedman, Cadmus D. Lawlor, Cadmus S. Conzemius, Illume	To develop “new” approach to EM&V, create guidance to serve as foundation of individual EM&V plans
2. Data	B. Littlehales, NEEA	To create secure, centralized, machine-to-machine data exchange infrastructure and processes. Retailers will use as a central repository for sales data; Sponsors will use as central source for program management & EM&V
3. Products	C. Miziolek, NEEP N. Leritz, NEEA	To create a coordinated process for product portfolio management, including product additions and retirement, tiers, relationship to ENERGY STAR specifications, etc.
4. Outreach	T. Michel, PG&E P. Banwell H. Tomlinson, EPA	To educate the broad stakeholder community about the ESRPP. Outreach includes EEPS, program implementers, retailers, manufacturers, and the EM&V/regulatory community. Channels include recruiting sponsors and retailers, facilitating group presentations at industry meetings and conferences, developing white papers, etc.
5. Marketing	J. Wagner, FOE R. Stephens-Booker, EPA	To build a consistent core look & feel for EEPS program materials, including key messaging and design elements and retailer pre-approved POP templates. (Includes field services and implementation: objective to create a consistent set of resources for EEPS to use with field implementers, and to build in important field to program feedback loop for the group’s future planning.)
6. Retail & Legal	P. Kilroy, Navitas	To ensure retailers experience streamlined interactions with EEPS from the beginning of the pilot by serving as the single point of contact for the retailers. This role is envisioned to diminish as the platform is scaled and infrastructure built to be more “self-service.” Also creates master agreement templates for ESRPP, and address other legal issues of concern to the group. Facilitates the ENERGY STAR Retail Action Council (ESRAC)



Additional Key Roles & Activities

Area	Lead(s)	Goal/Scope
ENERGY STAR Retail Action Council (ESRAC)	Best Buy The Home Depot Lowe's Nationwide Sears	To ensure that program sponsor get the benefit of strategic insights from the market in the planning, implementation, evaluation, and continuous improvement of ESRPP, which is designed to fully leverage the power of key market actors to secure the most cost-effective, persistent, energy savings in the retail sector.
Standing Meetings	P. Banwell H. Tomlinson	<ul style="list-style-type: none"> • Task force updates <ul style="list-style-type: none"> ○ bi-weekly with all interested stakeholders ○ Quarterly retailer marketing reports • Products task force—monthly • EM&V task force—monthly • Data task force—monthly • ENERGY STAR RAC, other task force, and individual sponsor meetings—scheduled as needed
Overarching	H. Tomlinson	To provide a centralized infrastructure for planning and coordination among sponsors as platform is developed. Manage key milestones, program documents, communication with sponsor group, and cross-cutting tasks.